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Date: **August 22, 2002**

Reference No: **600-055-02**

Circular Letter No:
Distribution:

Special:

**TO: HEALTH BENEFIT OFFICERS AND ASSISTANTS OF THE
STATE, CALIFORNIA STATE UNIVERSITY AND
CONTRACTING PUBLIC AGENCIES**

**SUBJECT: SPECIAL OPEN ENROLLMENT FOR HEALTH PLAN OF THE
REDWOODS (HPR) MEMBERS AND ADDITIONAL NORMAL
OPEN ENROLLMENT INFORMATION**

This Circular Letter contains information on the following topics:

- Special Open Enrollment Instructions
- Submitting Special Open Enrollment Transactions/Documents
- Enrollment Cut-off for Terminating Health Plans
- Submitting 2002 Documents for Normal Open Enrollment

CalPERS' goal is to keep our employers and members informed of health care changes, as well as to provide you with instructions for your employees. As you may already know, Health Plan of the Redwoods (HPR) will cease operation as of October 31, 2002. The following information will affect your employees who are currently enrolled in this plan.

CalPERS mailed the first HPR Letter Dated August 6, 2002 to all current HPR members to inform them that HPR would close as of October 31, 2002, and that they would soon receive instructions from CalPERS about changing to a new plan as of November 1, 2002. A second HPR Letter Dated August 19, 2002 was mailed to all affected employees with instructions for the Special Open Enrollment.

SPECIAL OPEN ENROLLMENT INSTRUCTIONS

The HPR Special Open Enrollment period will be held September 3 through September 30, 2002. During this Special Open Enrollment, HPR members must choose another health plan for themselves and their dependents. The plan that they choose during this special enrollment will be their health plan from November 1, 2002 through the end of the next contract year (December 31, 2003). *Therefore, these employees do not need to participate in the regular CalPERS Open Enrollment period scheduled from September 3 through October 18, 2002.*

In order to make this transaction as smooth as possible, active employees enrolled in HPR have been instructed to work closely with their Health Benefit Officers and Assistants to complete the *Health Benefit Enrollment form* (HBD-12). Retirees have been

given instructions on several ways that they can make their health plan change during this special enrollment (See HPR Letter Dated August 19, 2002).

Members who live in counties served by Blue Shield will be enrolled automatically in Blue Shield unless they choose another plan during this Special Open Enrollment. If they live in a county not served by Blue Shield and do not choose another plan, they will be enrolled automatically in PERS Choice. HPR has provided Blue Shield with primary care physician (PCP) information for all its current CalPERS members. If the employee chooses "automatic enrollment" into Blue Shield (see below), they will be assigned to their current PCP as long as the physician contracts with Blue Shield. If the employee's current PCP **does not** contract with Blue Shield and the employee wants "automatic enrollment" they must contact Blue Shield's Member Services Department at 1-800-334-5847 by September 30, to inform the plan of their PCP selection and for each covered family member. Members who do not select a physician will be assigned one by Blue Shield.

Automatic Enrollment for Changing Plans Only

If Blue Shield is available to employees in their residential ZIP code and they wish to be enrolled in this plan, you **do not** have to complete an enrollment document (HBD-12) for these employees. CalPERS will automatically move these enrollees to Blue Shield of California.

If Blue Shield is not available to employees in their residential ZIP code and they wish to be enrolled in PERS Choice, you **do not** have to complete an enrollment document (HBD-12) for these employees. CalPERS will automatically move these enrollees to PERS Choice.

For employees who wish to enroll in a health plan (including Blue Shield or PERS Choice) based on their work ZIP code, you will have to complete an enrollment document (HBD-12) for these employees. Automatic enrollment into Blue Shield or PERS Choice is not available to employees who are enrolling in a health plan based on a work address.

Document Processing for Changing Plans and Adding Dependents

Employees who are enrolled in HPR and are selecting a new health plan and adding dependents **cannot** use the automatic enrollment procedure due to different effective date rules. Please complete two transactions/HBD-12s using the following procedure:

ACES Users

- Complete the first transaction to change plans, using Reason Code 405 (Special Open Enrollment) and the effective date of November 1, 2002.
- Complete the second transaction to add dependents using the Open Enrollment Reason Code 206 (Adding dependent during Open Enrollment) and the effective date of January 1, 2003.
- If Blue Shield is selected, instruct the employee to also provide the PCP information directly to Blue Shield by calling Member Services at 1-800-334-5847.

Manually Completing HBD-12s

- Complete the first HBD-12 to change plans using Reason Code 405 and the effective date of November 1, 2002. In the "Remarks" section, write "***HPR SPECIAL OPEN ENROLLMENT***."
- Complete a second HBD-12 to add dependent(s), using Reason Code 206 and the effective date of January 1, 2003.
- In "Remarks" section of both documents number the forms as "1 of 2" and "2 of 2."
- Staple the two enrollment forms together.

Note: In box 11 of the HBD-12, please include the name and provider number of the employee's PCP. Use the "Remarks" section of the HBD-12 to include PCP information for each enrolled dependent. If Blue Shield is selected, instruct the employee to also provide the PCP information directly to Blue Shield by calling Member Services at 1-800-334-5847.

SUBMITTING SPECIAL OPEN ENROLLMENT TRANSACTIONS/DOCUMENTS

Submitting your transactions/documents as they are completed will assist the health plans in the timely issuance of identification cards. All transactions/documents must be submitted by close of business on Wednesday, October 2, 2002. Forms that are mailed should be sent to:

Regular Mail CalPERS—Health Benefit Services Division Enrollment & Eligibility Section P.O. Box 942714 Sacramento, CA 94229-2714	Express Mail CalPERS—Central Mail Room 400 P Street, Room 2220 Sacramento, CA 95814 (916) 326-3044
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ENROLLMENT CUT-OFF FOR TERMINATING HEALTH PLANS

Circular Letter No. 600-039-02 issued July 16, 2002, stated that no new enrollments will be accepted for Health Net, Health Plan of the Redwoods, PacifiCare of California, Arizona and Nevada, and Universal Care as of September 1, 2002. Because of timing and processing issues, this information has changed. The effective cutoff date for enrollment in all of the terminating health plans is August 1, 2002.

Exceptions:

- Employees who are retiring and continuing their coverage into retirement are not affected and should be allowed to continue with health coverage in one of the terminated health plans. However, if they do not select another health plan during the annual Open Enrollment period, they will be moved to Blue Shield HMO or PERS Choice based on their residence ZIP code effective January 1, 2003.
- If a COBRA enrollee was previously covered in one of the terminated health plans

under a CalPERS contract and was deleted they can enroll into one of the terminated plans. However, if they do not select another health plan during the annual Open Enrollment period they will be moved to Blue Shield HMO or PERS Choice based on their residence ZIP code effective January 1, 2003.

SUBMITTING 2002 DOCUMENTS FOR NORMAL OPEN ENROLLMENT

In the 2002 Open Enrollment Circular Letter Number 600-039-02, dated July 16, 2002 we failed to include the deadline for submitting Open Enrollment documents and ACES transactions. All transactions/documents for the regular Open Enrollment must be submitted by close of business on Friday, October 25, 2002. We apologize for overlooking this important information.

For your information, we also have included a copy of the HPR Pharmacy letter sent to all current HPR members on August 15.

Thank you for your patience with the special challenges of this year's Open Enrollment and your cooperation in disseminating information to those affected by these changes. If you have questions about anything in this Circular Letter or any aspect of Open Enrollment, please call us at 1-800-352-2238.

Sincerely,

Tom Fischer, Chief
Health Benefit Services Division